



BLUE  STAR

Blue Star Foods Corporation

Blue Star Foods Corp. | May 2022

# Healing the planet one pound at a time.

[bluestarfoods.com](https://bluestarfoods.com)





# Forward looking statements

This presentation may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Such forward-looking statements are characterized by future or conditional verbs such as “may,” “will,” “expect,” “intend,” “anticipate,” “believe,” “estimate” and “continue” or similar words.

You should read statements that contain these words carefully because they discuss future expectations and plans, which contain projections of future results of operations or financial condition or state other forward-looking information. Such statements are only predictions, and our actual results may differ materially from those anticipated in these forward-looking statements.

We believe that it is important to communicate future expectations to investors. However, there may be events in the future that we are not able to accurately predict or control. Factors that may cause such differences include, but are not limited to, the uncertainties associated with the Company's ability to raise additional capital to finance the Company's activities; the Company's and its subsidiaries' ability to fully perform all of their obligations under the contractual obligations applicable to them; the effectiveness, profitability, and the marketability of its ongoing mix shift to more advanced products; legal and regulatory risks; the Company's ability to execute its growth strategy and the effectiveness of its increased research and developments pending; the future trading of the ordinary shares of the Company; the Company's ability to operate as a public company; the period of time for which its current liquidity will enable the Company to fund its operations; general economic and business conditions; the volatility of the Company's operating results and financial condition; the Company's ability to attract or retain qualified senior management personnel and research and development staff. We do not assume any obligation to update forward-looking statements as circumstances change.



# Company Strategy & Mission Statement

**Long-Term strategy to create a vertically integrated seafood company that offers customers high quality products while maintaining a focus on our core values of delivering food safety, traceability and certified resource sustainability.**

**We plan to grow the Company organically by continuing to grow our customer base and introducing new high-value product lines and categories, as well as strategically acquiring companies that focus on additional species and proprietary technologies that we believe we can integrate into a larger, diversified company.**



# Company Overview

an integrated Environmental, Social, and Governance (ESG) sustainable seafood company with a focus on Recirculatory Aquaculture System (RAS)

## Corporate Profile<sup>(1)</sup>

Market Cap	\$50M
Share Price	\$2.00
Shares Outstanding	25.0M
52-Week Hi/Lo	\$8.00 – 1.37
Average Daily Volume	1.7M Shares
Insider Ownership	60%

## Company Financials

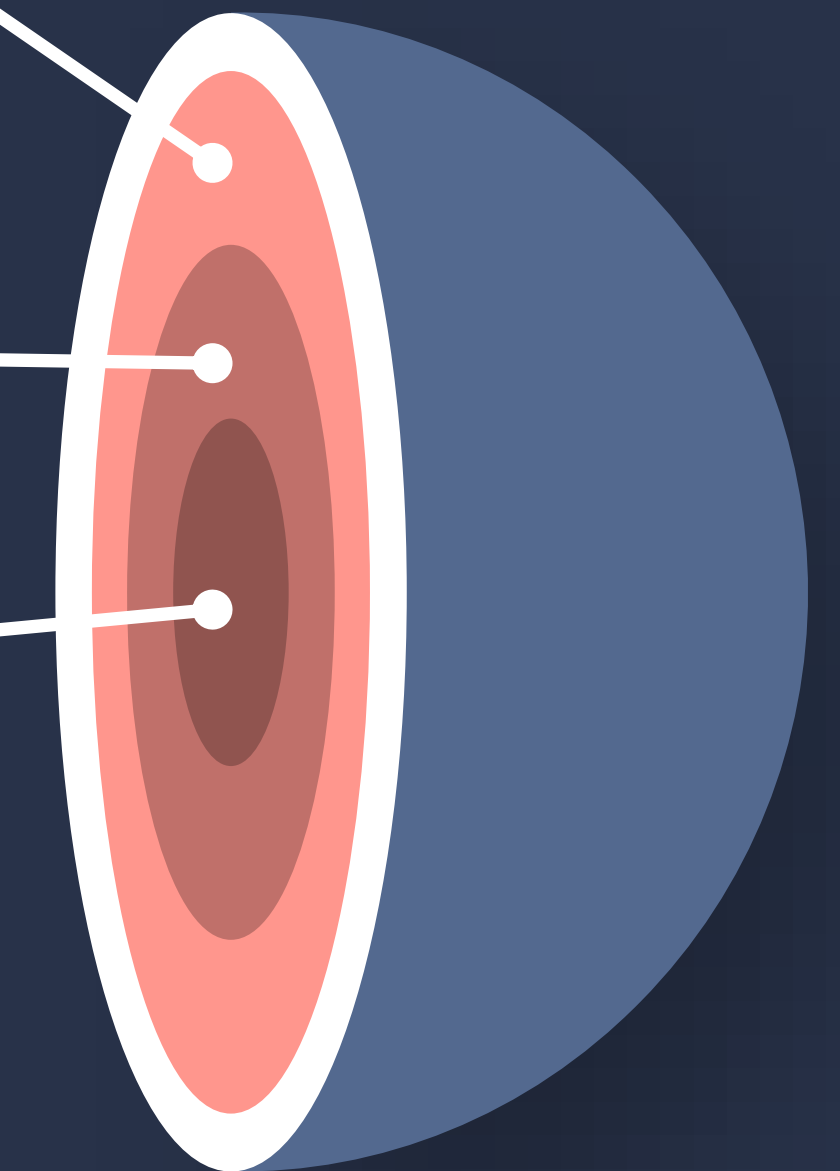
- 2020 Revenue of \$14.1M
- 2021 Revenue of \$10M
- Q1 2022 –Revenue Guidance of at least \$5.0M

## Headquarters

Miami, FL | 23 Employees

## Recent Acquisitions

- Coastal Pride
- South Carolina, United States | November 2019
- Taste of BC Aquafarms
- Vancouver Island, Canada | June 2021
- Gault Seafood Assets | Feb 2022



(1) Corporate profile statistics are as of July 12th, 2021.

(2) Financials are FY-2020 which will be reported on March 30th, 2021.

\*As of December 1, 2021





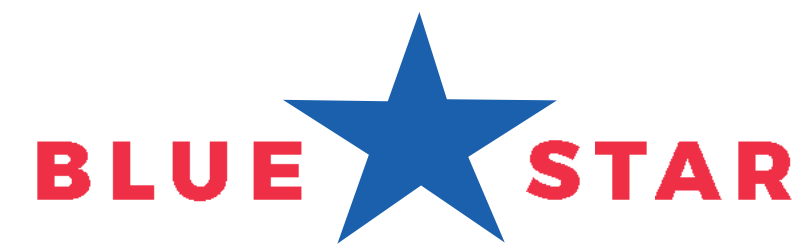
# Established Supply Chain with Blue Chip Customers

BSFC has built relationships with some of the largest, most prestigious companies in the United States.

- Quality product
- Reliable delivery
- Delivers auditable ESG check points for customer







# Crab Meat Product Sourcing. Processing. Sustainable Catch.

**BSFC sources its main product, the Blue Swimming Crab from Southeast Asia.**

- In 2020, 90%(1) of product sourcing was from the Philippines (46%) and Indonesia (44%).

**Product is processed on site at local facilities, and packaged, and sent to their market destinations (U.S. and Europe).**

- Plants receive British Retail Consortium (BRC) audits every year.

## **Sustainable Sourcing**

- BSFC pays local fishermen that use their proprietary (GPS-based) technology system that allows them to trace product source.
- Encourages the capture of male crabs.
- Mapping waters where more mature crabs can be harvested.
- Catching crabs using Collapsible Traps instead of Gill Nets. Preventing Bi-Catch

*(1) Source: Internal numbers as of Q4-2020*







# Environmentally Friendly Packaging/Premium Labels



## Sustainable and ethical packaging.

- BSFC has several global patents on the Eco-Fresh crab meat pouches Worldwide. ONLY company to package Crab meat in pouches.

## Benefits of Eco-Fresh pouches vs. traditional metal cans include:

- Cost Efficient | longer Shelf life | Less CO2 emissions | decreases waste.
- Can attach RFID tracking codes for monitoring.

## Blue Star has premium proprietary brands within the crab-meat industry.

- All brands are recognized amongst its end-customers, for reliable, uniform, quality product.
- Commands higher margins in the seafood industry.





# ESG & Environmental Stewardship

BSFC released its First GRI Standard Sustainability Report in January 2021.



89-page report shows the company's performance during past 2 years against globally recognized, quantifiable and standardized ESG Key Performance Indicators.

- Only report focused on Blue Crabmeat category of seafood<sup>(1)</sup>.
- Report examines how BSFC looks after the ocean waters from where crabs are harvested, waste management, its relentless focus on its workers' social and economic wellbeing and efforts to empower local artisanal fishing communities.

(1) GRI Sustainability Report can be found here - <https://www.bluestarfoods.com/wp-content/uploads/PDF/BSF-Sustainability-Report-2020.pdf>





# November 2019 Acquisition Coastal Pride

**Seafood company specializing in importing pasteurized and fresh crabmeat primarily from Mexico and LATAM.**

- Sells premium branded label crabmeat to a diversified customer throughout North America.
- Headquartered in Beaufort, South Carolina.
- Company had >\$10M in sales and profitable.



## Key Transaction Points

### Management Team

- >30 years crab meat category market operators
- 2nd generation family company.

### Strategic Fit

- Can leverage each others' existing infrastructure (technology / credit lines / sourcing relationships / sales channels, etc.)
- Reduce OpEx. (by eliminating duplication)

### Deal Structure

- >90% paid in equity.
- Performance equity milestone bonuses.





# The Problem-Evolution to RAS Land-Based Aquaculture



**Double Seafood  
Consumption by 2050**



**Overfishing**



**Conventional  
aquaculture will NOT  
meet demand GAP**

**Environmental Pollution  
of the Food Supply**



**Ocean  
Pollution**



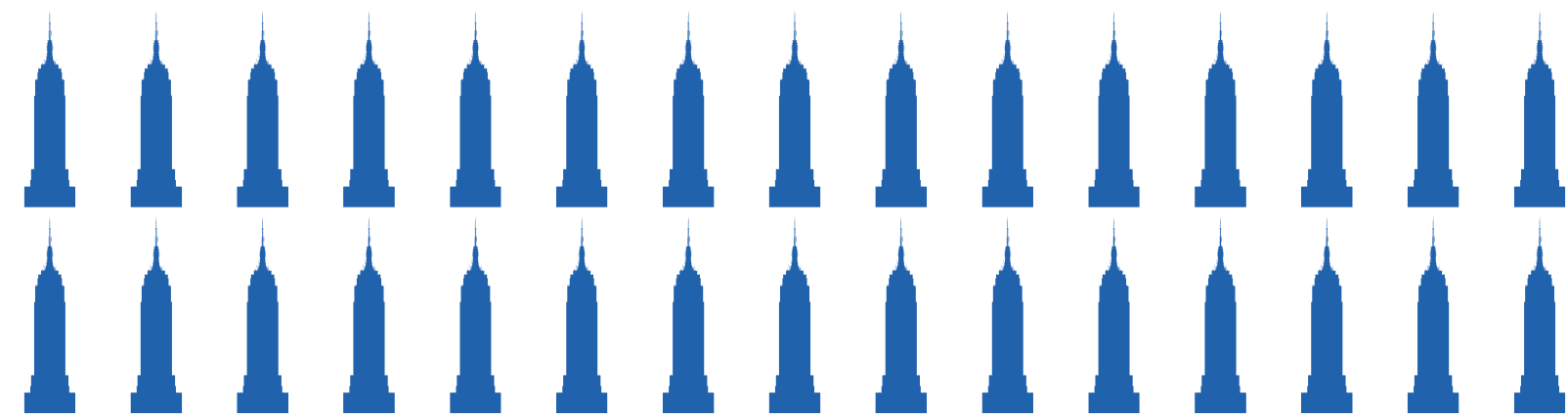
**Microplastic**





Every year, there are **11** million tons of plastic waste that pollute the world's oceans.

That is about 30 Empire State buildings weight in plastics each year.



This threatens wildlife and fragile ecosystems around the globe.

And it is not getting any better. In fact, it is getting worse.







# Unfavorable Ocean Plastic Pollution Trend

Our review of four decades of research indicates that fish consumption of plastic is increasing. Just since an international assessment conducted for the United Nations in 2016, the number of marine fish species found with plastic has quadrupled.

Similarly, in the last decade alone, the proportion of fish consuming plastic has doubled across all species. Studies published from 2010-2013 found that an average of 15% of the fish sampled contained plastic; in studies published from 2017-2019, that share rose to 33%.

2016-2021

**4x**

INCREASE OF PLASTICS  
IN FISH SPECIES

2017-2019

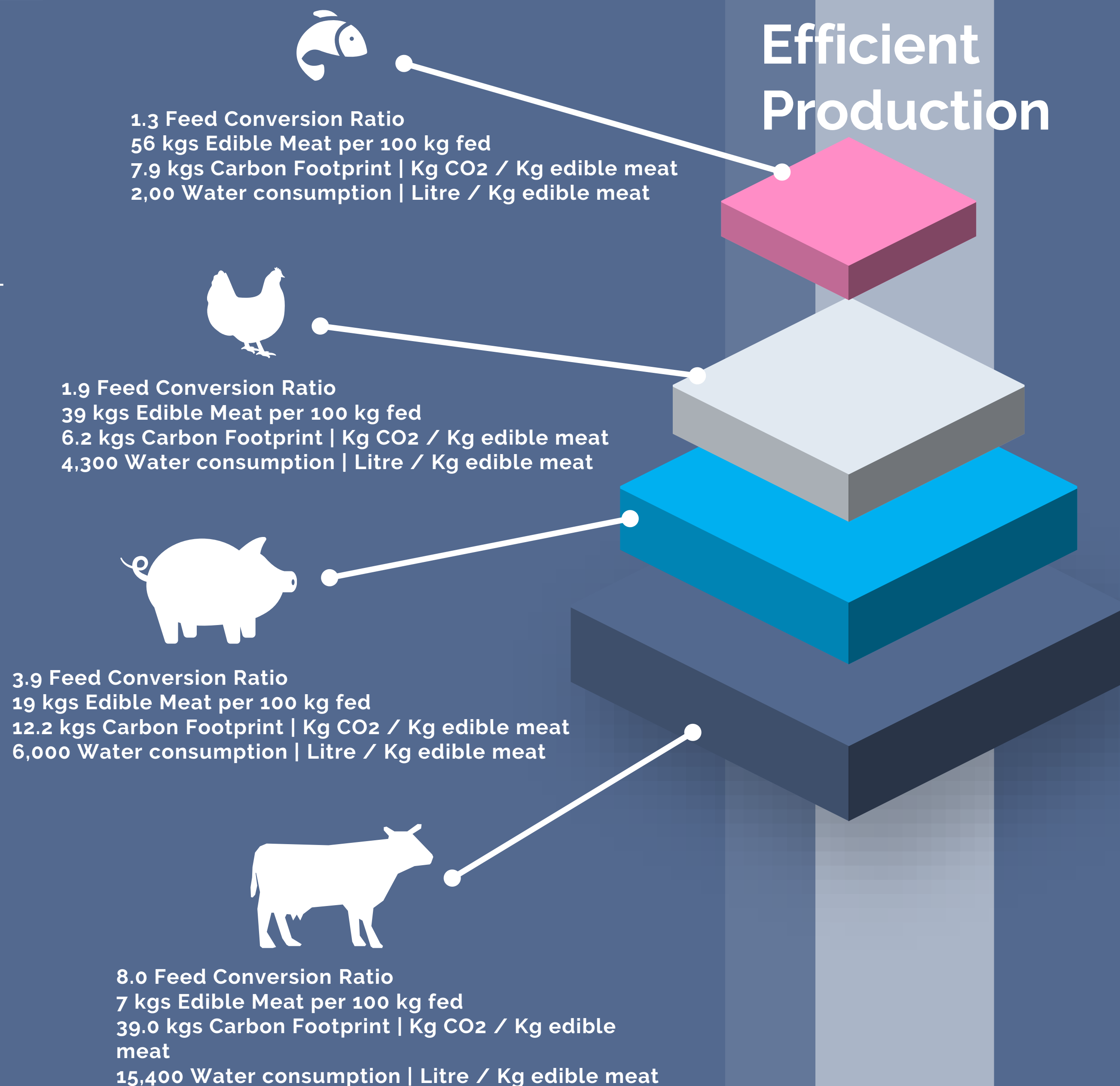
**33%**

PERCENTAGE OF FISH FOUND  
THAT CONTAIN PLASTICS





## Resource Efficient Production



# Increased Global Marine Protein Consumption & Supply Gap

The global population is projected to be 9.8 billion people<sup>(1)</sup> by 2050;

Protein consumption is predicted to double by 2050<sup>(2)</sup>, marine-based proteins gaining a growing market share.

- Seafood proven to be most efficient creator of animal protein.
- Conventional Aquaculture provides a significant volume of seafood supply.

<sup>(1)</sup> The World Population Prospects: The 2017 Revision, published by the UN Department of Economic and Social Affairs

<sup>(2)</sup> Salmon Farming Industry Handbook 2020 (Mowi)



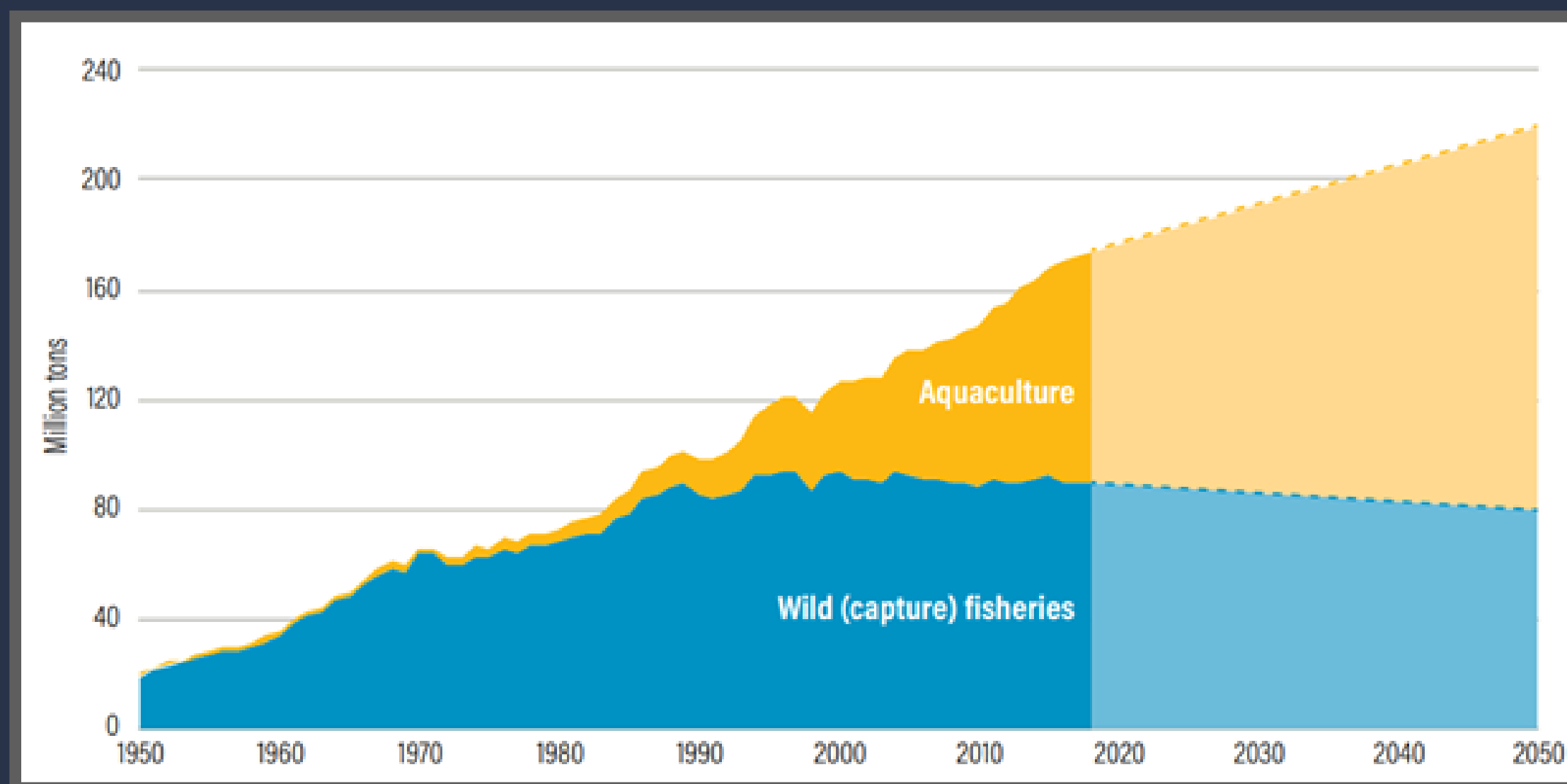


# Aquaculture Needs To Fill the Gap

The wild fish catch peaked at 94 Mt<sup>(1)</sup> in the mid-1990s and has since stagnated/declined. All future increase in world fish consumption will need to come from aquaculture.

- In 2016, aquaculture provided more than half (80 Mt)(1) of all fish consumed - making it one of the world's fastest-growing animal food-producing sectors.
- Aquaculture production >2X between 2010 – 2050; from 60 Mt in 2010 to roughly 140 Mt in 2050 (1).

## Estimates of Aquaculture Production vs. Wild Caught

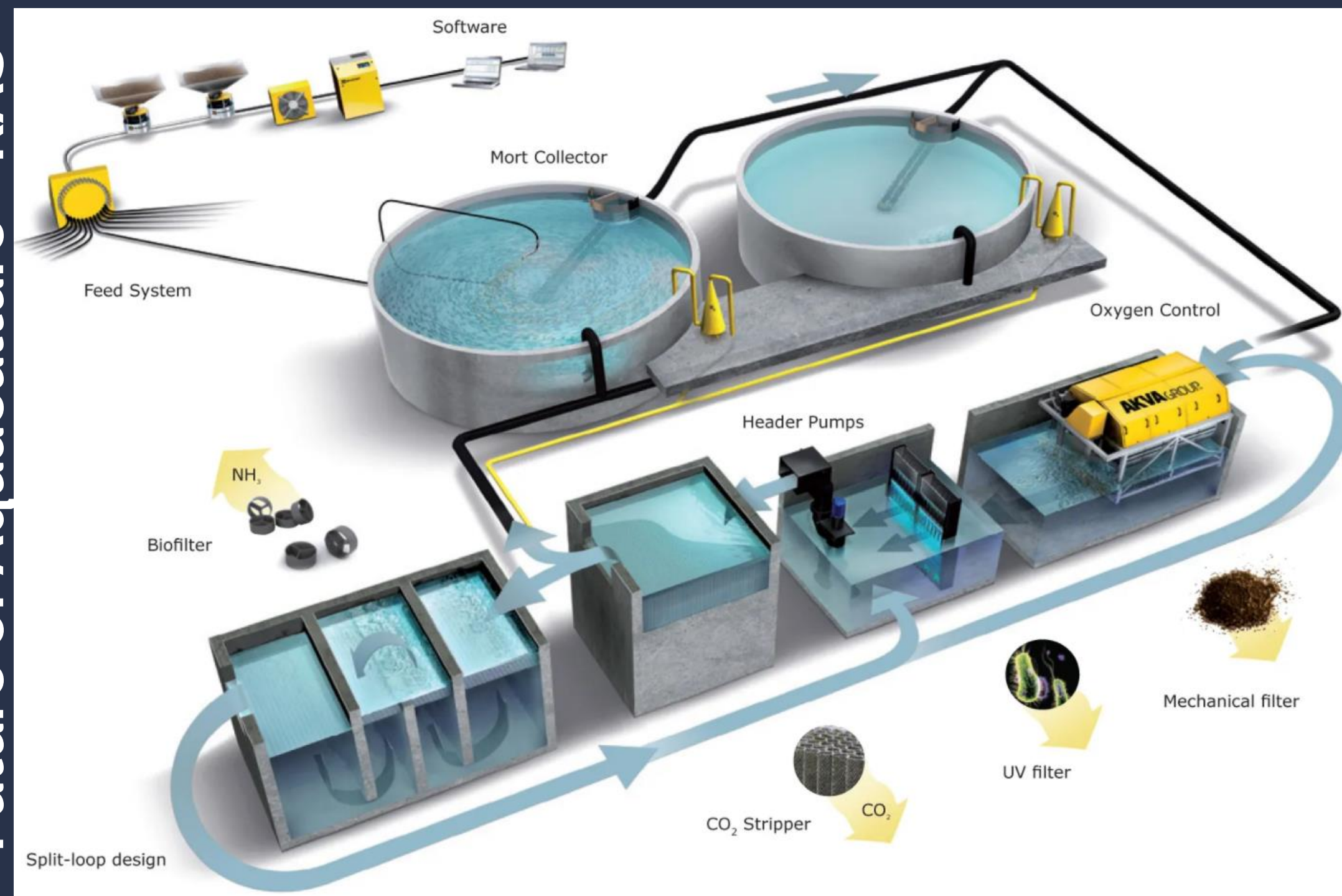


(1) The State of World Fisheries and Aquaculture (2018) by the United Nations Fisheries and Aquaculture Department.

## Conventional Aquaculture



## Future of Aquaculture = RAS







# Global Salmon Market & Conventional Open-Net Salmon Farming Challenges

## Size of the Global Salmon market

- The market volume for all Salmon worldwide is estimated to be 3.7 million tons in 2021 and will be 4.0 millions tons by 2023(1).
- In 2019, the USD value for the global salmon market was \$17 Billion(2).

## Conventional Open Net Aquaculture detrimental to the environment:

- Invasive species can get free in new environment
- Use of antibiotics to control Sea Lice disease
- On going concern with Algae Bloom
- Increased fish waste direct disposed in the ocean.
- Harvested fish exposed to micro plastics

(1) Statista 2021 | Global salmon market size forecast 2018-2023

(2) U.N. FAO Statistical Data Search (December 2019)

A close-up photograph of several slices of raw salmon fillets, showing the characteristic orange-pink color and white marbling of the fish.

# \$17B

2019 USD Global salmon Market <sup>(2)</sup>

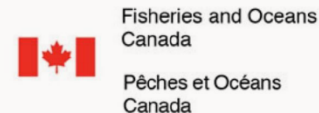




**BLUE STAR**

# Macro Regulatory Demand Driver

Blue Star Foods Corporation



**Government of Canada moves to phase out salmon farming licences in Discovery Islands following consultations with First Nations**



**Federal court hearing on B.C.'s Discovery Island fish farm phase-out underway**



**Shutting down salmon farms in BC begins in 2022**

The Government of Canada has made it a policy decision to phase out Ocean Based Salmon Farming by 2025. This will start with the closure of farms located within the Discovery Islands, which shall be complete by June 30, 2022. The Discovery Islands region now produce approx. 20,000 Tonnes of British Columbia's total production of approximately 100,000 Tonnes.





# Solution & Competitive Advantage



**RAS Land-Based  
Aquaculture  
for Salmon**

Highly disruptive technology

Fully controlled environment  
for the fish.

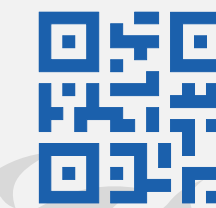
No Antibiotics

Virtually NO environmental impact

Efficient land and energy use  
*low to neutral CO2 emissions*

Optimal feeding strategy

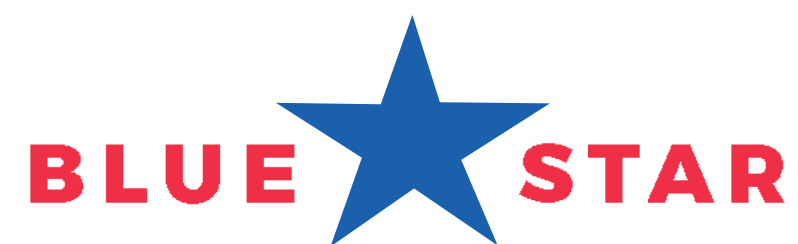
Easy grading and harvesting of fish



**Traceable Harvest  
Mobile App**







# June 2021 Acquisition Taste of BC Aquafarms

A land-based Recirculating Aquaculture Systems (RAS) salmon farming operation. Operators are pioneers in the RAS industry, with longest running full grow-out salmon farm in North America.

- Headquartered in Nanaimo, British Columbia, Canada.
- **Forecasting \$650,000 in sales and profitable in 2021<sup>(1)</sup>.**
- **Scalable plans to 21,000 MT by 2028.**

(1) FY-2020 is expected to have approximately \$600K USD in sales, and cash-flow break-even.

## Key Transaction Points

### Management Team

- >10 years in RAS field + 2nd generation family company.
- **Unique technical expertise to dramatically scale operations.**

### Strategic Fit

- **RAS is a disruptive technology in the seafood industry**
- **Meeting the gap conventional supply vs growing worldwide demand**

### Deal Structure

- >70% of the consideration paid in equity
- Performance equity milestone bonuses





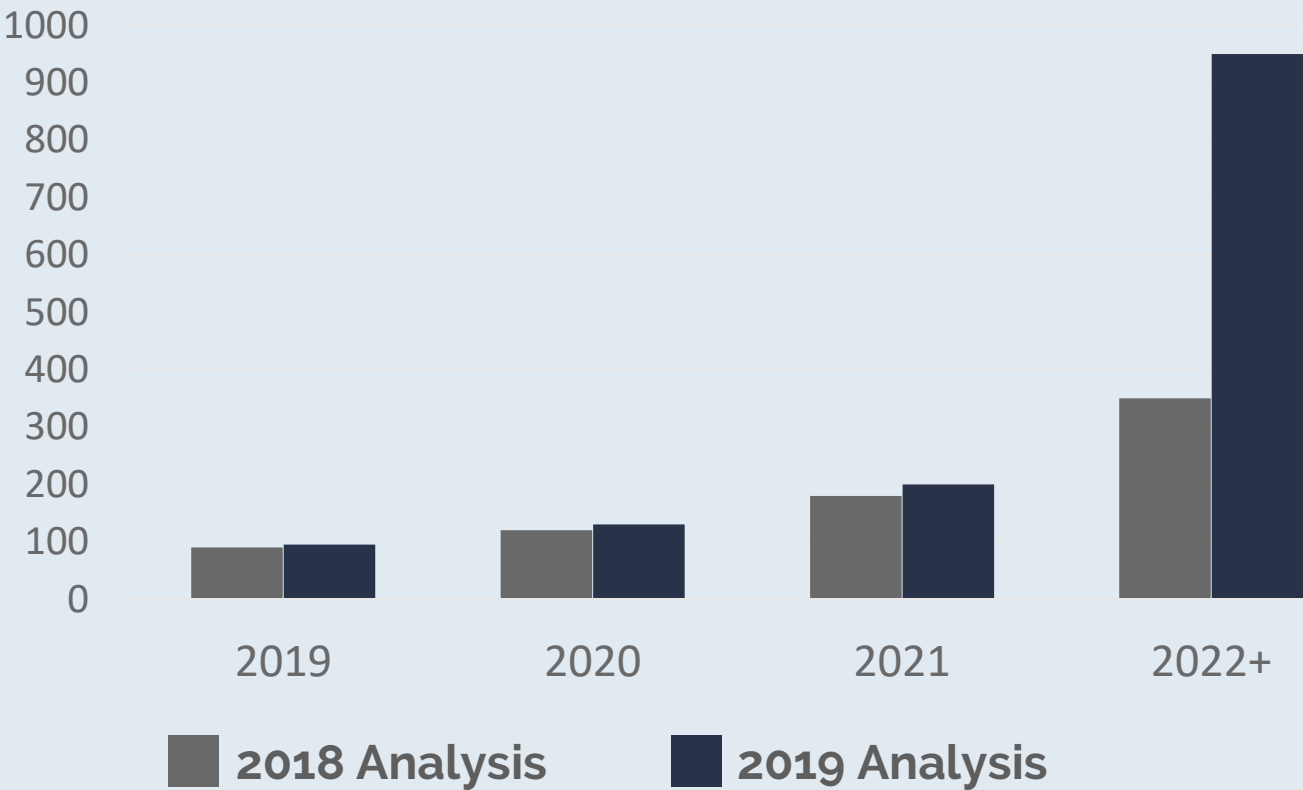
# Salmon Competitive Landscape

(Conventional Open Net & RAS Methods)

- Salmon farming competition is primarily in OPEN-NET sea cages and land-based farming.
- Growing momentum in land-based salmon farming projects has the potential to disrupt the industry.

Sources: DNB Land based Salmon; IntraFish Land-Based Salmon Farming Report 2019; SeafoodSource; company data and websites; Kontali Salmon World 2019

Growth in Land-Based Salmon Farming  
Volume plans identified in 2018 vs. 2019 (kt)



## North America RAS Farms in Production

Aquabounty	IN – 1,200 MT First Harvest 2020
Atlantic Sapphire	FL (Phase 1) – 10,000 MT FL (Phase 2) – 25,000 MT First Harvest 2020
Taste of BC Aquafarms	80 MT (Current)

## North America RAS Farms Announced & in Development

Taste of BC Aquafarms	BC (Phase 1) – 1,500 MT BC (Phase 2) – 1,500 MT BC (Phase 3) – 3,000 MT BC (Phase 4) – 6,000 MT BC (Phase 5) – 9,000 MT
Nordic Aquafarms	ME – 33,000 MT CA – 33,000 MT
Whole Oceans	ME – 20,000 MT
West Coast Salmon	NV – 15,000 MT
Aquacon	MD – 100,000 MT
Pure Salmon	VA – 25,000 MT

## International Sea-Cage Operations

Mowi	417,000 MT
Cermaq	192,000 MT
Agrosuper	188,000 MT
Leroy	180,000 MT
Salmar	158,000 MT
Grieg Seafood	83,000 MT





## Significant Discount in Valuation as Compared to Peers:

NASDAQ: AQB  
\$120M Market Cap  
\$1.2M Revenue TTM

**AquaBounty** (in production)

OTC: AASZF  
\$350M Market Cap  
\$14.6M Revenue TTM

 **ATLANTIC  
SAPPHIRE.** (in production)

 **NORDIC  
AQUAFARMS** (project phase)  
SUSTAINABLE AQUACULTURE

 **West Coast** (project)  
SALMON

 **AquaCon™** (project)

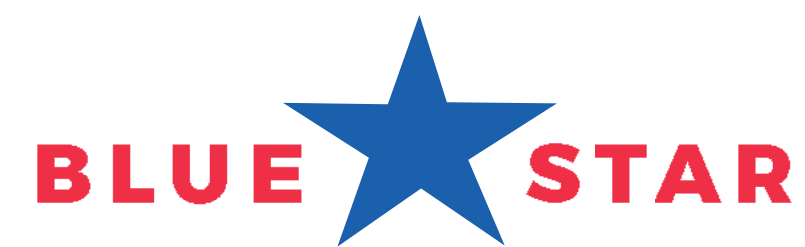
 **PURE  
salmon** (project)

OTC: SHMP  
\$135M Market Cap  
\$0M Revenue TTM

 **NATURAL SHRIMP®**  
Always Fresh • Always Natural







## At a Glance

# Taste of BC

**Taste of BC has perfected a modular system that will enable scalable, predictable & repeatable results.**

- Have produced over 500,000 lbs. of Steelhead Salmon since 2012.
- Is the oldest continuously operating Salmon RAS in North America.
- The 1st to successfully, predictably raise full grow-out Salmon in RAS.
- Have overcome issues like taste, early maturation, and coloration.
- <1 day delivery to entire West Coast of US / Canada / Asian markets.

**The management team of Taste of BC are highly efficient operators<sup>(1)</sup>.**

- 6 Month Average Fish Harvest Weight - 2.218Kg
- Target Minimum of 2kg for Steelhead Salmon
- 6 Month Total Harvest Downgrade Percentage of 1.36%
- Not fully optimized product (sells for less or waste)
- Last completed cohort achieved 1.08KG Feed/Kg bFCR.



<sup>(1)</sup> Company's internal statistics from June 30th, 2021.







# 1,500 MT Facility Economics

## Site Selection Update

- In progress.
- Have multiple sites as possibilities.

## Grants and No-Interest Loans

- Currently working with the Government of British Columbia on various incentive financing structures

Economics of 1,500 MT Facility <sup>(1)</sup>	
Facility Capacity	1,500 MT
CapEx	\$29.3M
Time To Production	28 Months
Full Harvest	37 Months
Annual Revenue	\$12.3M
Annual EBTA Income	\$5.5M
Net Income Margins	44.7%
Payback Period	8.3 Years

<sup>(1)</sup> Company's internal estimates.

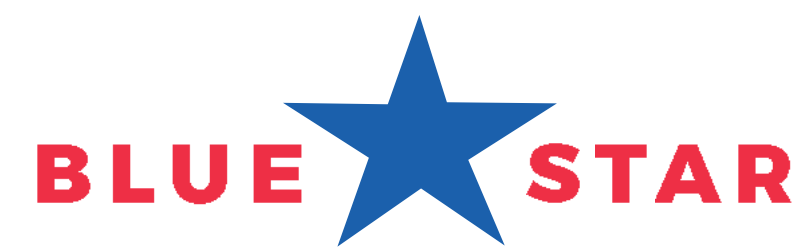
Engineering Partner



One of North America's premier engineering firms focuses on RAS facilities. Has been in business over 20+ years. Located in Nanaimo, BC, Canada.







# Executive Team



**John Keeler**  
*Chairman & CEO*

Named Best CEO in Sustainable Seafood Industry by European CEO Magazine.

2017 Speaker at "The Economist World Ocean Summit".

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Blue Star Foods Corporation



**JC Dalto**  
*Member*



**Nubar Herian**  
*Member*



**Jeffry Guzy**  
*Member*



**Sylvia Alana**  
*CFO*



**Tim McLellan**  
*Member*

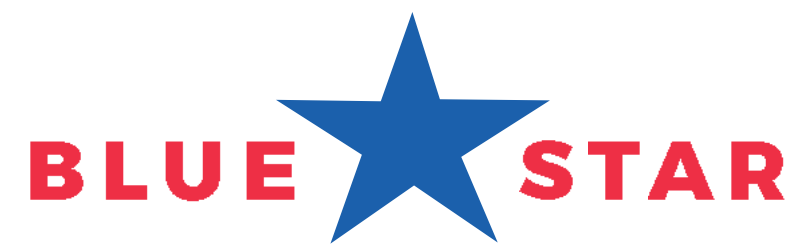


**Trond Ringstad**  
*Member*



[bluestarfoods.com](http://bluestarfoods.com)





# Investment Highlights

1

Macro Factors Accelerating Push Toward Innovation and Sustainability - Seafood Consumption Outpacing Supply and Environmental Safety

2

Stablised Supply chain & Strong Relationships with Distributors Partners

3

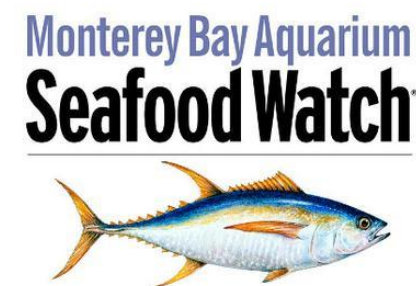
Well-Positioned for Expansion in Land-Based Recirculatory Aquaculture System (RAS)

4

Highly-Scalable Modular Technology & Expanding Seafood Categories – Salmon, Soft Shell Crab, Other Fin-Fish Species

5

Significantly Discounted Valuation as Compared to Peers





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